CHANDELEUR SOUND BLOCK 64 FIELD 04-515

LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m., on TUESDAY, JUNE 8, 2004, upon the application of PALACE OPERATING CO.

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of an Order pertaining to the following matters relating to the **TEX W Zone**, **Reservoir A**, in the Chandeleur Sound Block 64 Field, St. Bernard Parish, Louisiana.

- 1. To establish rules and regulations governing the exploration for and production of gas and condensate from the TEX W Zone, Reservoir A, and to create a single drilling and production unit of approximately 565 acres.
- 2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit with each tract sharing in unit production on a surface acreage basis of participation.
- 3. To provide that any future wells drilled to the TEX W Zone, Reservoir A, should be located in accordance with the spacing provisions of Statewide Order No. 29-E.
- 4. To provide that the Commissioner of Conservation should be authorize to reclassify the reservoir by supplemental order without the necessity of a public hearing should the producing characteristics of such reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.
- 5. To consider such other matters as may be pertinent.

The TEX W Zone, Reservoir A, in the Chandeleur Sound Block 64 Field, St. Bernard Parish, Louisiana, is hereby defined as being that gas and condensate bearing zone encountered between the depths of 7,130' and 8,345' in the Manti Operating Co. - SL 17397 No. 2 Well located in the Chandeleur Sound Block 31 Field..

A plat is available for inspection in the Office of Conservation in **Baton Rouge** and **Lafayette**, Louisiana.

www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm.

All parties having interest therein shall take notice thereof.

BY ORDER OF:

JAMES H. WELSH COMMISSIONER OF CONSERVATION

Baton Rouge, La 5/4/04;5/7/04 L

IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION - ENGINEERING DIVISION AT P. O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.